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C O N F I D E N T I A L SECTION 01 OF 02 LAHORE 000233

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [PTER](#) [ECON](#) [PK](#)

SUBJECT: BOUCHER PAYS COURTESY CALL ON SHAHBAZ SHARIF WEARING CHIEF MINISTER HAT

CLASSIFIED BY: Bryan Hunt, Principal Officer, US Consulate Lahore, Department of State.

REASON: 1.4 (b), (d)

¶1. (C) Summary: Assistant Secretary Boucher paid a courtesy call on Punjab Chief Minister Shahbaz Sharif in Lahore on July 1. Shahbaz outlined his priorities for the Punjab, expressing concern that terrorist cells already present in the province could be activated in light of the Federally Administered Tribal Agencies Khyber Agency military offensive and had ordered provincial security forces to increase their security posture. He also lamented the state of public schools in the Punjab and estimated about five percent of the madrassas in the Punjab are involved in militancy and extremism. Shahbaz outlined his intentions to establish competing public schools in areas where such madrassas operate and his determination to use administrative measures to shoot down non-reforming madrassas. Shahbaz stressed that socioeconomic indicators had to be improved to counter terrorism effectively. End Summary.

¶2. (C) Assistant Secretary for South and Central Asian Affairs Richard Boucher, accompanied by National Security Council Director for South and Central Asian Affairs Mark Webber, Deputy Chief of Mission Peter Bodde, Principal Officer Bryan Hunt, Senior Advisor Caitlin Hayden and Political Officer Antone Greubel (notetaker), met with Shahbaz on July 1 in Lahore. The Assistant Secretary asked Shahbaz about his priorities for Punjab. Shahbaz said the law and order situation is his number one priority and that he had just met with provincial security forces to go over Punjab security issues in light of the offensive in the Khyber Agency. Shahbaz feared there would likely be a spillover effect in the Punjab and stated militants have terrorist cells in the Punjab awaiting instructions.

¶3. (C) Shahbaz added that the majority of militants in Punjab hailed from organizations that were originally involved in sectarian conflicts and that over time had become associated with militants from the Northwest Frontier Province. When pressed by the Assistant Secretary, Shahbaz said he fully supported efforts to tackle militancy in the Northwest Frontier and backed the recent Khyber operations but was perturbed that the federal government had not consulted him before the commencement of the military operation. He added that Pakistan could more effectively contribute to the War on Terror if its policy would be debated and approved on the floor of the National Assembly.

¶4. (C) Shahbaz told the Assistant Secretary that one of his other main priorities was to improve the state of public education in the Punjab. He said that the majority of middle and upper class families sent their children to private schools primarily because the public schools were deficient. Teachers

needed training and the appointments for teaching posts needed to be de-politicized. Ghost schools and teachers also need to be eliminated. Poor families in contrast cannot afford to pay private school tuition and, especially in rural underdeveloped areas, sent their children to madrassas since the public schools were either shut down or did not meet even minimum acceptable standards.

15. (C) Shahbaz estimated that five percent of madrassas in the Punjab had ties to militants or extremists. To counter their growing influence, he planned to concentrate initial efforts on pouring resources into improving the state of public education in areas where hostile madrassas operated. When asked by the Assistant Secretary, Shahbaz estimated 80% of parents currently sending their children to those madrassas would withdraw them if they had access to good public schools. Shahbaz asserted that his government would demand that madrassas end the teaching of militancy and extremism and introduce a modern educational curriculum. He claimed that he was already working with madrassa leaders in this regard. Shahbaz assured Boucher that madrassas refusing to reform would be shut down through administrative measures.

16. (C) Boucher expressed concern that the declining economy could cause significant problems for the provincial government in meeting its spending targets. Shahbaz acknowledged that public finances would be stretched thin due to the slowing economy and inflation. He pledged to conserve and prioritize public resources as well as curb corruption and improve transparency. In light of rising food prices and shortages, he said he is reviewing ways for the government to increase agricultural subsidies without triggering another wave of food inflation. He noted that his provincial budget allocated US\$35 million to provide subsidized tractors to farmers.

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17. (U) Assistant Secretary Boucher has cleared this cable.
HUNT